
COMMONWEALTH OF VIRGINIA



OFFICE OF THE GOVERNOR Executive Order 52 (95)

DEPARTMENT OF THE TREASURY SECONDARY MARKET DISCLOSURE

By virtue of the authority vested in me as Governor under Article V of the Constitution of Virginia and under the laws of the Commonwealth, including but not limited to Section 2.1-39.1 of the *Code of Virginia*, and subject always to my continuing and ultimate authority and responsibility to act in such matters, I hereby authorize and direct the State Treasurer to take any and all actions necessary to comply with all rules and regulations relating to primary and secondary market disclosure for securities issued by the Commonwealth and its agencies, institutions, boards and authorities or other securities for which the Commonwealth is deemed to be an obligated person, including but not limited to entering into agreements to provide information to the secondary market.

On November 10, 1994, the Securities and Exchange Commission ("SEC") issued Release No. 34-34961 which amended SEC Rule 15c2-12 ("Rule") under the Securities Exchange Act of 1934 to deter fraud and manipulation in the municipal securities market by prohibiting the underwriting and subsequent recommendation of securities for which adequate information is not available. The amendments to the Rule were intended to improve disclosure on outstanding municipal securities in the secondary market.

The amendments to the Rule prohibit a broker or dealer from purchasing or selling municipal securities unless such broker or dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of the holders of the securities to provide certain annual financial information and event notices to information repositories. Although the Rule does not require that municipal issuers provide the information, it effectively eliminates an issuer's access to the primary and secondary securities markets if an issuer fails to provide annual financial information and event notices. Therefore, it is imperative that the Commonwealth comply with the Rule in order to serve its citizens effectively.

All agencies of the Commonwealth are expected to cooperate with and provide assistance to the State treasurer to the fullest extent allowed by law and to the extent that such cooperation does not conflict with the missions of the various agencies. The state treasurer may request such information, reports, documents, etc., as necessary to comply fully with the rule. The State Treasurer may consult with and seek guidance from financial consultants, legal counsel, and agencies of the federal government as needed.

This Executive Order shall not be interpreted to limit or alter the rights or the obligations of the Commonwealth or any agency or other instrumentality thereof to meet or fulfill the terms of any agreements made with holders of any bonds, notes, or other obligations of the Commonwealth or such instrumentality issued and outstanding on or prior to the effective date of this Order, or, in any way, to impair the rights and remedies of such holders.

Given under my hand and the Seal of the Commonwealth of Virginia this tenth day of August, 1995

George Allen

Governor

Attested: Betsy Davis Beamer, Secretary of the Commonwealth